#### REMARKS

Claims 1, 14, 19, 20, 22, and 25 have been amended. Claims 1-25 are pending in the application.

Rejection of claims 1-3, 10, 11, 14-16, 19, 20 and 25 under 35 U.S.C. 102(b) based on

Dreifus

The examiner has rejected claims 1-3, 10, 11, 14-16, 19, 20, and 25 based on Dreifus. It is respectfully submitted that the examiner is incorrect. However, claim 1 has been amended to more distinctly claim the present invention in one or more embodiments.

Claim 1, as amended, of the present application specifies:

A method comprising:

placing a first device in an enclosure;

placing a second device in the enclosure;

sealing the enclosure while the first device and the second device are in the enclosure;

causing the first device to exchange a key with the second device while the first device and the second device are in the enclosure and while the enclosure is sealed;

removing the first device and the second device from the enclosure after the key exchange; and

using the key to allow the first device and the second device to communicate with each other using methods of encryption outside the enclosure.

In the present application, in one or more embodiments, a first device, such as device 100 and a second device, such as device 200, are both placed in an enclosure, such as enclosure 10. (Present application, Fig. 1, pg. 9, 2<sup>nd</sup> and third paragraphs) The enclosure 10 is then sealed while the devices 100 and 200 are in the sealed enclosure 10. (Id.) The device 100 exchanges a key with the device 200 while the devices are in the enclosure 10 and while the enclosure 10 is sealed. (Present application, pg. 9, last paragraph). The devices 100 and 200 are removed from the enclosure 10 and the key is used to allow the devices 100 and 200 to communicate with each other outside of the enclosure 10.

Dreifus does not satisfy the limitations of claim 1. The examiner in his rejection, appears to refer to cards 2 and 2' of the embodiment of Figs. 8A-8C of Dreifus as a "first device" and a "second device", respectively. (Examiner's Office Action, 4/26/04, p. 2, last paragraph – p. 3, first paragraph, reference to Figs. 8A-C and Col. 16, lns. 7-29). The examiner appears to be asserting that the terminal 20 shown in Fig. 8A of Dreifus is an "enclosure" in which the card 2 (first device) and the card 2' (second device) are inserted. The card 2 and the card 2' are indeed placed in the terminal 20. However, there is no disclosure in Dreifus that the terminal 20 is sealed while the card 2 and card 2' are in the terminal 20. Claim 1 of the present application is therefore not satisified.

The examiner appears to have misread the Dreifus patent. For the "sealing the enclosure" step of claim 1 of the present application, the examiner has cited column 3, lines 18-25 of the Dreifus patent (Examiner's Office Action, 4/26/04, p. 3, 2<sup>nd</sup> paragraph), which is shown below:

"A portable electronic transaction device for use in a transaction system having at least one terminal. The device is sealed in a container and comprises means for storing information therein, means for transmitting and receiving information to and from said terminal, internal, self-contained power source means, means for detecting abnormal conditions in the device and means for incapacitating the device in response thereto." (Dreifus, col. 3, lns. 18-25)

When Dreifus refers to a "portable electronic transaction device" he is referring to a "card", i.e. "portable electronic transaction device 2" is the "card 2". (Dreifus, col. 4, Ins. 11-20) When Dreifus refers to the "device is sealed in a container" he is talking about the card being encapsulated in a body, i.e. the card "is an electronic device which is encapsulated in a plastic body in the form of a flat card ..." (Dreifus, Id.).

Card 2 may be a first device sealed in its own plastic body, and card 2' may be second device sealed in its own plastic body, however, card 2 and card 2' are not both placed into the same enclosure which is then sealed. Assuming terminal 20 of Fig. 8A is an enclosure, card 2 and card 2' may be placed into terminal 20, but terminal 20 is not sealed while the cards 2 and 2'

05/05/2004 13:23 7325498486 WALTER TENCZA JR PAGE 12

are in the enclosure.

Claim 1 is respectfully submitted to be allowable for at least the f regoing reasons. Claims 1-13 are dependent on claim 1 and are also submitted to be allowable for at least the foregoing reasons.

Claim 14 has been amended to more distinctly claim the present invention in one or more embodiments and now specifies:

14. A method comprised of the steps of:

placing a first device into an enclosure;

connecting the first device to a transmitter, wherein the transmitter is connected to a first end of a cord device the first end of the cord device being inside the enclosure;

sealing the enclosure while the first device is in the enclosure and while the first device is connected to the transmitter;

wherein the cord device has a second end which is outside the enclosure; and wherein the method further is comprised of connecting a second device which lies outside the enclosure, to the second end of the cord device;

and after connecting the first device to the first end of the cord device and after connecting the second device to the second end of the cord device, causing the first device to exchange a key with the second device while the first device is in the sealed enclosure;

removing the first device from the enclosure after the key exchange; and

using the key to allow the first device and the second device to communicate with each other using methods of encryption with the first device outside of the enclosure.

In one embodiment of the present invention, a device 570 is placed in a container 500. (Present application, Fig. 9, pg. 12, last paragraph – p. 13, second paragraph). The device 570 is connected to a transmitter 538 wherein the transmitter 538 is connected to an end of a cord or cable device 530, the first end or lead lines 532 of the cord device 530 being inside the container 500. (Id.) The enclosure 500 is sealed by placing a cover 508 on the container or enclosure 500 while the device 570 is in the container 500 plus the cover 508, and while the device 570 is connected to transmitter 538. (Id.) After a second device 580, lying outside the sealed enclosure (including container 500 and cover 508) is connected to a second end or lead lines 548 of the cord device 530, a key is exchanged between the first device 570 and the second device 580, while the first device is in the sealed enclosure. (Id.) The device 570 can be removed from the

enclosure and can communicate outside of the nclosure with the device 580.

Dreifus does not satisfy the limitations of claim 14. If card 2 of Dreifus is considered to be a first device, Dreifus does not disclose sealing the terminal 20 after the card 2 is inserted.

If the plastic body of card 2 is considered to be an enclosure, Dreifus does not disclose removing the electronics of card 2 from its plastic body.

Claim 14 is submitted to be allowable for at least the foregoing reasons

Claims 15-18 are dependent on claim 14 and are submitted to be allowable for at least the same reasons.

Claim 19 has been amended and now specifies:

19. An apparatus comprising:

means for causing a first device to exchange a key with a second device; and means for preventing a third device from determining a key which is exchanged between the first device and the second device, and

wherein the means for preventing the third device from determining the key is comprised of an enclosure having a filtering material;

wherein the enclosure is adapted so that it can completely surround both the first device and the second device in order to prevent the third device from determining the key.

In one or more embodiments of the present invention, an enclosure, such as enclosure 10, is provided as part of a means for preventing a third device from determining a key exchanged between first and second devices. (Present application, pg. 8-10; Fig. 1). The enclosure 10 is adapted so that it can completely surround both the first and the second devices. (Id.)

Dreifus does not satisfy the limitations of claim 19. Dreifus does not have a means for preventing a third device from determining a key, wherein the means for preventing includes an enclosure which is adapted so that it can completely surround both the first device and the second device. If card 2 and card 2' of Dreifus are a first and a second device, then the terminal 20 does not completely surround them when the cards 2 and 2' are inserted into the terminal 20. (Dreifus, Fig. 8A).

Claim 19 is respectfully submitted to be allowable for at least the foregoing reasons.

Claims 20-21 are dependent on claim 19 and are also submitted to be allowable for at least the same reasons.

Claim 25 has been amended to more distinctly claim the present invention and now specifies:

25.A method comprising:

placing a first device in an enclosure;

placing a second device in the enclosure;

sealing the enclosure while the first device and the second device are in the enclosure;

causing the first device to exchange a key with the second device while the first device and the second device are in the enclosure and while the enclosure is sealed;

removing the first device and the second device from the enclosure after the key exchange; and

using the key to allow the first device and the second device to communicate with each other using methods of authentication outside the enclosure.

As specified with reference to claim 1, Dreifus does not disclose sealing terminal 20 while the card 2 and card 2' are in the terminal 20.

Claim 25 is submitted to be allowable for at least the foregoing reasons.

### II. Rejection of claims 18, 21-24 under 35 U.S.C. 103 based on Drelfus and Madsen

Claims 18 and 21-24 have been rejected under 35 U.S.C. 103 based on Dreifus and Madsen. These rejections are respectfully traversed. However, claim 18 depends on claim 14 which has been amended. Neither Dreifus nor Madsen satisfies the limitations of claim 14. Claim 14 and 18 are submitted to be allowable for at least these reasons.

Claim 21 depends on claim 19 which has been amended. Neither Dreifus nor Madsen satisfies the limitations of claim 19. Claims 19 and 21 are submitted to be allowable for at least these reasons.

Claim 22 has been amended to more distinctly claim the present invention in one or more

05/05/2004 13:23 7325498486 WALTER TENCZA JR PAGE 15

embodiments and now specifies:

22. A portable device comprised of:

a Bluetooth transmitter;

a port for physically and electronically connecting the portable device to a first device:

wherein in a first mode the Bluetooth transmitter of the portable device locates a second device and performs a key exchange with the second device via a wireless channel.

and wherein in a second mode the port of the portable device is physically and electronically connected to a the first device so that the portable device can communicate with the first device; and wherein the portable device communicates a key to the first device obtained from the key exchange with the second device.

In the present application, in one or more embodiments, a Bluetooth transmitter is incorporated into a portable device 720. (Present application, p. 14, Figs. 11A-B). A port may be provided in the portable device 720 for connecting the portable device 720 to a (first device) 730. (Id.) In a first mode (Fig. 11A) the Bluetooth transmitter of portable device 720 locates a second device such as portable device 722 in the enclosure of container 700 and cover 708, and performs a key exchange, via a wireless channel. In a second mode (Fig. 11B) the port of the portable device 720 is physically connected to the device 730 (first device) and the portable device 720 communicates a key to the device 730 obtained from the key exchange with the device 722.

Neither Dreifus nor Madsen disclose the limitations of claim 22. Neither Madsen nor Dreifus disclose a portable device locating another device via a wireless channel and then performing a key exchange. Claim 22 is submitted to be allowable for at least the foregoing reasons. Claims 23-24 are dependent on claim 22 and are submitted to be allowable for at least the same reasons.

III. Rejection of Claims 4-5 under 35 U.S.C. 103 based on Dreifus in view of Burge and Pihl

Claims 4-5 have been rejected under 35 U.S.C. 103 based on Dreifus in view of Burge

05/05/2004 13:23 7325498486 WALTER TENCZA JR PAGE 16

and Pihl. These rejections are respectfully traversed. Howev r, claim 1 has been amended. Claims 4-5 are dependent on claim 1 and are submitted to be allowable for at least the same reasons as claim 1, as previously asserted. The combination of Dreifus, Burge and Pihl does not satisfy the limitations of claim 4 or 5.

# IV. Rejection of Claims 6-9, 12, and 13 under 35 U.S.C. 103 based on Dreifus in view of

Claims 6-9, 12, and 13 have been rejected under 35 U.S.C. 103 based on Dreifus in view of Pihl. These rejections are respectfully traversed. However, claim 1 has been amended to more distinctly claim the present invention in one or more embodiments. Claims 6-9 and 12-13 are dependent on claim 1 and are submitted to be allowable for at least the same reasons as claim 1 as previously asseted. The combination of Dreifus and Pihl does not satisfy the limitations of any one claim of claims 6-9 and 12-13.

## V. Rejection of Claim 17 under 35 U.S.C. 103 based on Dreifus in view of Brothers

Claim 17 has been rejected under 35 U.S.C. 103 based on Dreifus in view of Brothers. This rejection is respectfully traversed. However, claim 14 has been amended to more distinctly claim the present invention in one or more embodiments. Claim 17 is dependent on claim 14 and is submitted to be allowable for at least the same reasons as claim 14. The combination of Dreifus and Brothers does not satisfy the limitations of claim 17.

## VI. Conclusion

Favorable reconsideration of this application, as amended, is respectfully requested.

Respectfully submitted,

Walter J. Tencza Jr. Reg. No. 35,708

Suite 3

10 Station Place

Metuchen, N.J. 08840

(732) 549-3007

Fax (732) 549-8486